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FOR ASUCCION 04451 SENT ACTION SECSTATE OCT 13, 1978

QUOTE C O N F I D E N T I A L ASUCCION 4451

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E.O. 11652, GDS

TAGS: FGV, SHM

SUBJECT: SECOND MEETING WITH CHIEF OF STAFF RE LETELIER CASE

REF: ASUCCION 4375

1. ON OCTOBER 11 I CALLED AGAIN ON CHIEF OF STAFF GENERAL ALEJANDRO FRETES DAVALOS. AFTER PRELIMINARY COURTESIES, HE READ ME THE ACTA OR SUMMARY MINUTES RESULTING FROM THE VISIT OF GENERAL GROZCO, CHIEF OF CHILEAN INTELLIGENCE, TO ASUCCION. THE DOCUMENT ITSELF MAKES NO DIRECT REFERENCE TO THE LETELIER CASE. FRETES SAID THE PRESIDENT HAD AUTHORIZED HIM TO BRIEF ME ON THE ACTA BUT HE PREFERRED TO READ IT VERBATIM.

2. THE DOCUMENT IS BASICALLY AN AGREEMENT TO COORDINATE ALL INTELLIGENCE RESOURCES IN ORDER TO CONTROL AND ELIMINATE SUBVERSION. IT SPEAKS OF EXCHANGE OF INFORMATION, PROPER USE OF COMMUNICATION FACILITIES, MONITORING OF SUBVERSIVES AND THEIR DETENTION AND INFORMAL HAND OVER FROM ONE COUNTRY TO THE OTHER. IT REPEATS OVER AND OVER THE NEED FOR FULL COOPERATION AND MUTUALLY FACILITATIVE ACTS IN THE CONTEXT OF A FIGHT TO THE DEATH AGAINST SUBVERSION.

3. IN RESPONSE TO MY QUESTIONS, FRETES DAVALOS GAVE THE FOLLOWING ACCOUNT OF THE MEETING BETWEEN CHILE AND PARAGUAY. IT WAS SIMPLY ANOTHER IN A REGULAR SERIES OF MEETINGS WHICH TAKE PLACE ANNUALLY AMONG THE CHIEFS OF INTELLIGENCE OF THE COUNTRIES OF THE SOUTHERN CONE. THIS SYSTEM OF CONSULTATIONS CAME INTO BEING MAINLY AS A DEFENSE AGAINST THE THREAT OF ARGENTINE SUBVERSION SPREADING TO OTHER COUNTRIES. BRAZIL, ARGENTINA, CHILE, BOLIVIA, PARAGUAY AND URUGUAY MAKE OF THE NET, ALTHOUGH URUGUAY IS NOW ALMOST ON THE INACTIVE LIST. FRETES DAVALOS SAID THE MEETINGS ARE NOT PARTICULARLY USEFUL ANYMORE, IN HIS JUDGMENT, BECAUSE THE MAIN THREAT FROM ARGENTINA HAS BEEN ELIMINATED. THEY KEEP IN TOUCH WITH ONE ANOTHER THROUGH A U.S. COMMUNICATIONS INSTALLATION IN THE PANAMA CANAL ZONE WHICH COVERS ALL OF LATIN AMERICA. THIS U.S. COMMUNICATIONS FACILITY IS USED MAINLY BY STUDENT OFFICERS TO CALL HOME TO LATIN AMERICA BUT IT IS ALSO EMPLOYED TO CO-ORDINATE INTELLIGENCE INFORMATION AMONG THE SOUTHERN CONE COUNTRIES. THEY MAINTAIN THE CONFIDENTIALITY OF THEIR COMMUNICATION THRU THE U.S. FACILITY IN PANAMA BY USING BILATERAL CODES. IN HIS VIEW THE WHOLE NETWORK IS PRACTICALLY USELESS AND SERVES MAINLY TO PERMIT CHIEFS OF INTELLIGENCE TO EXAGGERATE THEIR

OWN DIMINISHING IMPORTANCE.

4. COMMENT: OBVIOUSLY THIS IS THE CONCORD NETWORK WHICH ALL OF US HAVE HEARD ABOUT OVER THE LAST FEW YEARS. ALTHOUGH FRETES DAVALOS TOLD ME HE HAD ONLY MENTIONED TO PRESIDENT SPODESSEER THAT WE WERE GOING TO TALK ABOUT THE MEETING, I SUSPECT THE PRESIDENT VETOED FRETES' STATED INTENTION OF PROVIDING ME WITH A COPY OF THE ACTA AND INSTEAD TOLD HIM TO READ IT TO ME. EITHER I MISUNDERSTOOD OR FRETES MISPORE IN OUR PREVIOUS MEETING (REFFEL) WHEN HE SAID ARGENTINA HAD ALSO ATTENDED. APPARENTLY TWO BILATERAL MEETINGS WITH CHILE AND ARGENTINA TOOK PLACE ONE AFTER THE OTHER AND SOME SESSIONS MAY EVEN HAVE OVERLAPPED.

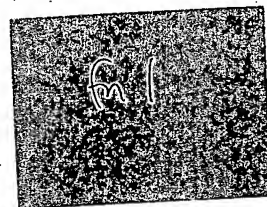
5. RECOMMENDATION: THE TWO FBI AGENTS HERE TELL ME THERE IS LIKELIHOOD CONCORD WILL SURFACE DURING LETELIER TRIAL IN THE U.S. IF GENERAL FETES DAVALOS IS ACCURATE IN DESCRIBING THE COMMUNICATIONS IT USES AS AN ENCRYPTED SYSTEM WITHIN U.S. COMMUNICATIONS NET (AND I HAVE NO KNOWLEDGE WHETHER THIS IS TRUE), IT WOULD SEEM ADVISABLE TO REVIEW THIS ARRANGEMENT TO INSURE THAT ITS CONTINUATION IS IN U.S. INTEREST. WHITE UNQUOTE NEWSOM

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